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Cc: Marleau, Brigitte (MEDJCT)[Brigitte.Marleau@ontario.ca]; Kamran, Fatima (MEDJCT)[Fatima.Kamran@ontario.ca]; Leigh, Jonathan (MEDJCT)[Jonathan.Leigh@ontario.ca]; Sudhir, Shikha (MEDJCT)[Shikha.Sudhir2@ontario.ca]
From: Sandler, Michelle (MEDJCT)[O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=USERC17F3A95]
Sent: Fri 2/11/2022 5:08:03 PM (UTC-05:00)
Subject: RE: FYI Border Issues and OEMs
TPIID Sector Impacts - Border Blockades - Feb. 11, 2022.docx

Hi MO,

Sharing the attached overview of sector impacts to date due to the border blockades. Specific sectors covered are auto, aerospace, chemicals and steel. New updates to the auto sector are highlighted.

The table also includes some cross-sectoral information upfront plus a column identifying the sensitivity of the information which links to the thread from last night on what should be public or confidential.

Please let us know if any questions.

Thanks,

Michelle Sandler
Deputy Minister's Office
(416) 271-3147

From: Sandler, Michelle (MEDJCT)
Sent: February 10, 2022 5:03 PM
To: Ross, Ron (MEDJCT) <Ron.Ross@ontario.ca>; Zegarmistrz, Justyna (MEDJCT) <Justyna.Zegarmistrz@ontario.ca>; Demeny, Kristin (MCCSS) <Kristin.Demeny@ontario.ca>; Gibson, Robert (MEDJCT) <Robert.M.Gibson@ontario.ca>
Cc: 'brigitte.marleau@ontario.ca' <brigitte.marleau@ontario.ca>; Kamran, Fatima (MEDJCT) <Fatima.Kamran@ontario.ca>; Leigh, Jonathan (MEDJCT) <Jonathan.Leigh@ontario.ca>
Subject: RE: FYI Border Issues and OEMs

Hi MO,

Below are the updated impacts of the situation at the Ambassador Bridge covering the OEMs, as well as Magna and Martinrea.

██████████: The afternoon shift at the ██████████ will be impacted on February 10th. Moreover, a production line at the ██████████ is under threat and ██████████ has difficulty transporting parts and engines from the facility to the U.S.

- Loads are being routed to the Blue Water Bridge for the moment, but ██████████ is concerned because it is facing an increasing reluctance by carriers to carry its product due to increasing uncertainty and delays. The company is considering alternative transportation options, including the ferry port in Windsor and airports in Hamilton and/or York.

██████████: The ██████████ and the ██████████ were shut down for part of February 9th and are now operating on half-shifts, while the ██████████ is shut down due to parts shortages. Currently, over 75 loads are reported running behind schedule and ██████████ is looking at alternate routings via Buffalo, NY (adding 6-8 hours in travel time).

- The company has indicated that incremental premium freight costs would occur as a result of drivers running out of hours to work and that expensive air freight would be used to move engines out of the ██████████

██████████ The company has reduced its shifts at the ██████████ due to parts shortages. ██████████ is working with carriers to get parts into the plants to mitigate further disruptions.

██████████ plant operations are suspended until at least the end of this week. The company does not expect a change until the border situation is resolved. ██████████ has reported that 78% of its parts came from across the Ambassador Bridge.

██████████: The ██████████ was shut down on the evening of February 9th. There is limited production as of February 10th. ██████████ will cancel the first shift at ██████████ on February 11th and is assessing whether it has sufficient parts to run the second shift.

██████████: Shifts at ██████████ plants have been reduced, multiple facilities are at risk of shutdown, and the closure of customer assembly plants has a ricochet effect on ██████████ as well. The company has shifted some of its shipments to alternative border crossings and has increased its use of expensive expedited shipments but emphasized that this situation was not sustainable. Like ██████████, ██████████ indicated that there was a lack of trucking companies willing to book freight and that the ones that were willing had doubled their rates.

██████████: The company stated on Wednesday that it was within hours of halting some of its production lines, including at three plants near London. Ontario-bound trucks have been rerouted to the Blue Water Bridge, adding three hours to their routes.

Let me know if any questions. Thanks,

Michelle Sandler

Deputy Minister's Office
(416) 271-3147

From: Sandler, Michelle (MEDJCT)

Sent: February 10, 2022 11:18 AM

To: Ross, Ron (MEDJCT) <Ron.Ross@ontario.ca>; Zegarmistrz, Justyna (MEDJCT) <Justyna.Zegarmistrz@ontario.ca>; Demeny, Kristin (MCCSS) <Kristin.Demeny@ontario.ca>; Gibson, Robert (MEDJCT) <Robert.M.Gibson@ontario.ca>

Cc: brigitte.marleau@ontario.ca; Leigh, Jonathan (MEDJCT) <Jonathan.Leigh@ontario.ca>

Subject: FYI Border Issues and OEMs

Hi Justyna, Ron, Kristin, Robert,

FYI - I wanted to flag that based on intel from engagement ISED had with key OEMs yesterday on the border blockades issue, we wanted to share the latest on the autos side:

- *As a critical point of trade for the automotive sector, the recent protests at the Ambassador Bridge in Windsor, Ontario have raised significant concerns with the operations of the North America automotive industry.*
- *Given the highly interconnected nature of the industry, many suppliers both in Canada and the US rely on this border crossing to supply OEM facilities on both sides of the border, including just-in-time deliveries where suppliers need to supply an OEM facility within 48 hours.*
- *For the most part, OEMs have been diverting their shipments to the Sarnia border crossing, given the closure of the Ambassador Bridge in Windsor. In addition to the extra driving time needed to use that crossing, there are also backlogs of approximately 4.5 hours due to a line up of vehicles waiting to cross that has been reported to be as long as 7.8 miles.*
- *This situation is also exacerbated by the limitations on hours of service that truck drivers can have (11 hours in the US and 13 hours in Canada). For example, if the travel time through the Sarnia crossing takes 9 hours normally, the additional 4.5 hour waiting time to cross means that the truck drivers need to stop and rest. Most of these trucks are "day cabs" which means they do not have ability to rest in their trucks and need to find separate accommodations before beginning again. These issues are in addition to the driver shortage issue that the companies are already dealing with.*
- *██████████ has indicated that they sent their second shift home today due to parts shortages.*
- *Although ██████████ hasn't confirmed stoppages, they anticipate it happening imminently*
- *██████████ has confirmed that ██████████ their ██████████ facility which produces the ██████████ be shut down as of this evening.*

I know a formal statement from the Minister is coming. The team will continue to engage with ISED and the autos stakeholders and I'll keep you posted as I hear more.

Let me know if any questions in the meantime. Thanks,

Michelle Sandler

Deputy Minister's Office

(416) 271-3147